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LETTER DATED 25 DECEMBER 1997 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 24 December 1997 from His Excellency Mr. Mohammed Said Al-Sahaf, Minister for Foreign Affairs of the Republic of Iraq. This concerns the blocking for over a year by the United States representative on the Security Council Committee established by resolution 661 (1990) of approval of a contract for the spare parts and equipment required in order to repair the Kirkuk-Yumurtalik oil pipeline. Recently, this same representative has imposed arbitrary conditions on approval which are in contravention of the Memorandum of Understanding, Security Council resolution 986 (1995) and the proceedings of the Security Council Committee established by resolution 661 (1990).

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

Accept, Sir, the assurances of my highest consideration.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

97-38166 (E) 301297 301297 311297

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Annex

Letter dated 24 December 1997 from the Minister for Foreign Affairs of Iraq addressed to the Secretary-General

Further to my letter to you dated 27 November 1997 (S/1997/937), I have the honour to draw your attention to the techniques employed by certain Security Council members in dealing with the contracts submitted under the provisions of Security Council resolution 986 (1995) and the Memorandum of Understanding concluded on 20 May 1996 between the Secretariat of the United Nations and the Government of Iraq (S/1996/356), the objective of which was to alleviate the suffering of the Iraqi people caused by the embargo to which it has been subjected for over seven years.

I am sure you are well aware that the oil for food formula is dependent upon the export of Iraqi oil and the use of the revenue to purchase food, medicine and other basic humanitarian needs under United Nations supervision carried out by experts from the Netherlands Saybolt Company, who are stationed at all oil-export and food distribution points.

As you know, the oil export process involves a pressing need for spare parts to repair damage to the oil pipeline and pumping stations, as was affirmed by the provisions of paragraphs 29, 30 and 31 of the Memorandum of Understanding. Through its mission in New York, the Government of Turkey has submitted two letters dated 5 November 1996 and 23 January 1997 to the Security Council Committee established by resolution 661 (1990) requesting approval for the Turkish company Teksan to export spare parts and equipment for the repair of the Kirkuk-Yumurtalik pipeline. These two letters were considered by the Committee at its 141st meeting on 31 July 1997. At this meeting, the representatives of the United States and the United Kingdom requested additional information on the situation, and consideration of the contract was deferred to a subsequent meeting. The United States representative maintained his stance at all subsequent meetings at which the contract was considered, and the item was deferred at 12 meetings. At the most recent of these, the 164th meeting, held on 9 December 1997, the United States representative finally decided to approve the contract. However, this approval was conditional upon the Turkish company (Teksan) undertaking responsibility for supplying the materials, storing them in Turkey and transporting them to Iraq when they are needed, and upon their transportation and use in Iraq being carried out under the strictest supervision.

The formula introduced by the representative of the United States on the Security Council Committee established by resolution 661 (1990) has set a bad precedent, in contravention of the contractual norms governing international trade, which stipulate that it is the responsibility of the supplier to provide the purchaser with the materials that have been contracted for. It is not part of the supplier's responsibility to store those materials in his own warehouses or to supply them piecemeal.

This behaviour is one of the means employed by the United States representative with a view to obstructing, delaying and complicating contracts

under the Memorandum of Understanding, in blatant contravention of the provisions and aims of that instrument. It also establishes a dangerous precedent for the proceedings of the Security Council Committee established by resolution 661 (1990), which in no way authorize the representative of the United States to impose such arbitrary conditions.

While bringing to your attention the behaviour of the United States representative with regard to this contract, I should like at the same time to convey to you the rejection of the Government of Iraq of this formula, which contravenes the conventions of international trade practice, and the provisions of Security Council resolution 986 (1995) and the Memorandum of Understanding.

I also hope that you will personally intervene to oppose the formula introduced by the United States representative. The approval of the Security Council Committee established by resolution 661 (1990) of the contract with the Turkish company Teksan for the supply of the spare parts and equipment required in order to repair the Kirkuk-Yumurtalik oil pipeline should be considered absolute. No restrictions or pre-conditions should be attached thereto, pursuant to the provisions of Security Council resolution 986 (1995) and the Memorandum of Understanding.

I should be grateful if you would have this letter circulated as a document of the Security Council.

Accept, Sir, the assurances of my highest consideration.

(Signed) Mohammed Said AL-SAHAF
Minister for Foreign Affairs
of the Republic of Iraq

Baghdad, 24 Sha'ban A.H. 1418
24 December 1997